

**Remarks at a Democratic Governors Association Fundraiser**

*October 1, 2009*

Thank you. Please, have a seat. You don't want to follow Brian Schweitzer as a general rule, but I am grateful for the outstanding work he's doing in Montana and his extraordinary leadership of DGA. And I want to thank as well the vice chair, a great friend in Maryland, an outstanding leader, somebody who is really just navigating through some difficult times with grace and skill, Martin O'Malley. Please give both of them a huge round of applause.

To all the other Governors in attendance: Governor Beshear and Governor Culver, deJongh, Markell, Nixon, Parkinson, and Perdue—what a great lineup. And I had a chance to talk to all of them backstage, and each and every one of them are leading in the ways that make me proud to be a Democrat. And the diversity that they embody and represent, I think, is also a credit to our party.

I am so glad to be here not just because I always spending—I always enjoy spending time with the kind of outstanding Governors and a few aspiring Governors that may be in the room—because I'm absolutely committed to making sure that our Governors have the support that they need to move their States forward. And I'm absolutely committed to working with each and every one of them in the years ahead to move America forward.

Now, I don't think it's any secret, these are challenging times for America and challenging times for each of the 50 States. Few understand that better than the Nation's Governors. All of them are on the frontlines, governing their States during an economic crisis unlike anything that we've seen since the Great Depression. They're witnessing the toll of this crisis that has—that families, small businesses, and neighborhoods are all experiencing. They're being made to govern in a time of shrinking revenues and budget shortfalls, and they're facing tough choices about where to save, where to spend, and how to navigate their States and their people through this economic storm.

I also have to be honest that the tough choices they'll have to make will not end any time soon. But what I hope has made their job easier and will continue to make their job easier is knowing that they've got a full, committed partner in the White House. And I know that—*[applause]*—I also know that their job has been made a little bit easier because of the Recovery Act that was passed here back at the beginning of my administration, and that I signed into law, and that's being carried out with their help—an act that's not only broken our economic freefall, but eased the burden on our States and helped our Governors get their States back on track.

Let me just describe what the Recovery Act has meant. Because of the Recovery Act, we're helping close budget gaps; we're preventing layoffs of teachers and police officers. America is stronger because of it. We put a tax cut into the pockets of 95 percent of working families to help them pay for their everyday needs. We're increasing and extending unemployment insurance to 12 million Americans to help them weather the economic storm, and we've lowered the cost of COBRA coverage for people who have lost their jobs, so that it's 65 percent lower and they can keep their health insurance as they're looking for work. And we're putting Americans back to work doing the work that America needs done rebuilding roads and bridges and new schools and all manner of construction projects across all 50 States.

It's the largest single investment of infrastructure in this country since Eisenhower built the Interstate Highway System back in the 1950s.

So we know that the Recovery Act is making a difference. It's made a difference for our families. It's made a difference for our States. It's making a difference for the Nation. But I'm not going to rest, I know the Governors and candidates here today are not going to rest, and I know that the American people are not going to rest until everybody who's looking for work can find a job, until our workers aren't afraid that they'll be the next ones let go, until our markets aren't only climbing again, but our businesses are hiring again. And while unemployment is usually the last measure to improve during a recovery, we're not going to rest until it does in our cities, in our States, and across the country.

Now, it's going to take a number of steps to reverse the current job climate and create jobs in this country. And that's why my administration has been working with our Governors on a number of different fronts.

Under the outstanding leadership of my Secretary of Education, Arne Duncan, we're working to transform our entire education system, because we know that countries that outeducate us today are going to outcompete us tomorrow.

We're investing in a clean energy sector that will not only help free America from the grip of foreign oil, but create new American jobs that pay well and can't be outsourced. And Governor Schweitzer has been an extraordinary leader on clean energy agendas.

We're working to reform our health insurance system, because one of the best ways to spur economic growth is to ease the backbreaking burden of health care costs on America's business.

Now, this is a point that's gotten lost a little bit over the past few months during the health care debate, so let me just talk about that. Over the past few weeks and months, we've spent a lot of time talking about how health insurance reform would offer stability and security for families and individuals who have health insurance, how it would make insurance finally affordable for those who don't have health insurance, and how it would reduce costs over the long term for families and for government. All these things are tremendously important, and I'm glad we've spent some time discussing it. But another important aspect of reform is what it will mean for America's businesses, and particularly our entrepreneurs and small businesses.

Our economy is built not only on the hard work of ordinary Americans, but on the ideas and the energy and determination of our entrepreneurs and our small-business people. Now, these small businesses generate half of all new private sector jobs. They are how millions of our hard-working families make a living. They're what keeps local economies going in small towns and big cities. And they're one of the reasons that America has remained an economic powerhouse in the 21st century.

The States that are represented by the Governors here today, as well as every other State in the Union, are home to thousands of entrepreneurs of all kinds, with great ideas, with the potential to create jobs and transform industries and strengthen America's economy. But all too often these economic pioneers are made to give up on their dreams—some of them never follow up on them in the first place—because of what it would cost them to provide health insurance for themselves, their families, and potential employees.

Right now, the cost of covering an employee can be prohibitively expensive. And a new study came out yesterday from the Robert Wood Johnson Foundation showing what would

happen in the next 10 years if we fail to enact health insurance reform. Under the worst case scenario, businesses would see their premiums more than double in 27 States. And even under the best case scenario, employers in nearly every single State would see premiums go up by 60 percent.

That kind of future is bad for entrepreneurs, it's bad for businesses, it's bad for the United States of America. We can't afford a health insurance system that hampers America's economy in the 21st century; we need a health system that unleashes its potential. And that's what reform will help us achieve.

So I know some folks say we should focus on fixing the economy instead of on health insurance reform. And through the Recovery Act, our financial stabilization measures, our clean energy initiatives, what we're doing in education, we are taking every possible step to spur economic growth and spur job creation. But I also believe that health insurance reform is absolutely critical to fixing our economy. It's how we'll encourage more entrepreneurs to take a gamble on a good idea. It's how we'll make sure that if they do, they'll be able to cover the costs of insuring their employees.

Now, we're going to do this by setting up a health insurance exchange, a marketplace that offers a number of different, affordable health insurance options. We'll provide a tax credit to small businesses to help make insurance more affordable. And while there will be a requirement for individuals to carry insurance and businesses to cover their workers, 95 percent of all small businesses would be exempt from this requirement. We will make it easier for them, particularly because a lot of them are already providing coverage at just exorbitant rates to their employees. Health insurance shouldn't be up to 18 percent more expensive for small firms than it is for larger firms. And with these reforms, we'll help close that gap.

So that's what health insurance reform will do to spur business and foster entrepreneurship and jump-start job creation. And here's what else reform will mean for our States: It will mean new jobs in community health centers; it will mean stemming rising premiums that cost State governments roughly \$95 billion a year; it will mean reducing drug costs by increasing the Medicaid drug rebate, a step that will benefit States and Federal governments alike; and it will mean curbing the up to \$141 billion we're expected to spend each year caring for the uninsured by the end of the next decade by finally making health insurance affordable for everyone.

That's what it means for States. That's what it'll mean for business. That's what it'll mean for America. And we are at that rare moment when we've been given the opportunity to remake our world for the better; that rare moment where we have a chance to seize our future. And as difficult as it sometimes is, what is inherent about the American spirit is the fact that we don't cling to the past in this country, we always move forward.

That movement doesn't begin in Washington; it often begins in States. It begins in neighborhoods. It begins in communities. It happens because the American people decide that it's time to bring about a new direction. Because all of you decide it's time for change. And if you do that now, then not only will we finally pass health insurance reform, not only are we finally going to make this an economy that's not reliant on booms and busts and maxed-out credit cards, but instead is reliant on the ingenuity and creativity and hard work of the American people and maintaining steady growth. But we're going to do what earlier generations have done and build something that's better for our children and our grandchildren.

That's our project. That's what the DGA is devoted to doing. That's what this White House is devoted to doing. We're grateful that all of you are partners in that process. Thank you very much, everybody. God bless you. Thank you.

NOTE: The President spoke at 1:20 p.m. at the St. Regis Hotel. In his remarks, he referred to Gov. Brian D. Schweitzer of Montana; Gov. Martin J. O'Malley of Maryland; Gov. Steven L. Beshear of Kentucky; Gov. Chester J. Culver of Iowa; Gov. John P. deJongh, Jr., of the Virgin Islands; Gov. Jack A. Markell of Delaware; Gov. Jeremiah W. "Jay" Nixon of Missouri; Gov. Mark V. Parkinson of Kansas; and Gov. Beverly E. Perdue of North Carolina.

*Categories:* Addresses and Remarks : Democratic Governors Association, fundraiser.

*Locations:* Washington, DC.

*Names:* Beshear, Steven L.; Culver, Chester J.; deJongh, John P., Jr.; Duncan, Arne; Markell, Jack A.; Nixon, Jeremiah W. "Jay"; O'Malley, Martin J.; Parkinson, Mark V.; Perdue, Beverly E.; Schweitzer, Brian D.

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